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SURFACE
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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 35304



**SAN FRANCISCO BAY RAILROAD – MARE ISLAND
-NOTICE OF EXEMPTION-
CALIFORNIA NORTHERN RAILROAD**

ENTERED
Office of Proceedings
SEP 28 2009
Part of
Public Record

EXEMPTION

FILED
SEP 28 2009
SURFACE
TRANSPORTATION BOARD

a. San Francisco Bay Railroad – Mare Island, a non carrier, has filed a notice of exemption pursuant to 49 CFR 1150.31 to commence the operation of common carrier rail service on lines owned by the City of Vallejo, California and Lennar Mare Island LLC, formerly operated by the California Northern Railroad between Flosden Acres, and Mare Island in Vallejo, California, a distance of eight miles, including branches on Mare Island. There are no mileposts on this line.

b. San Francisco Bay Railroad – Mare Island is represented by:

John F. McHugh
6 Water Street
New York, N.Y. 10004
212-483-0875
Fax: 212-483-0876
JFMcHughPC@Aol. Com

c. San Francisco Bay Railroad – Mare Island is currently negotiating an operating agreement with the City of Vallejo which is the residual common carrier as it owns the real estate occupied by the line of railroad. The line will interchange with the California Northern Railroad at Flosden Acres, in Vallejo, California.

d. The name of the rail service operator will be San Francisco Bay Railroad – Mare Island. The operation will be over lines owned by the City of Vallejo, California and/or Lennar Mare Island, LLC.

e. San Francisco Bay Railroad – Mare Island will be a common carrier.

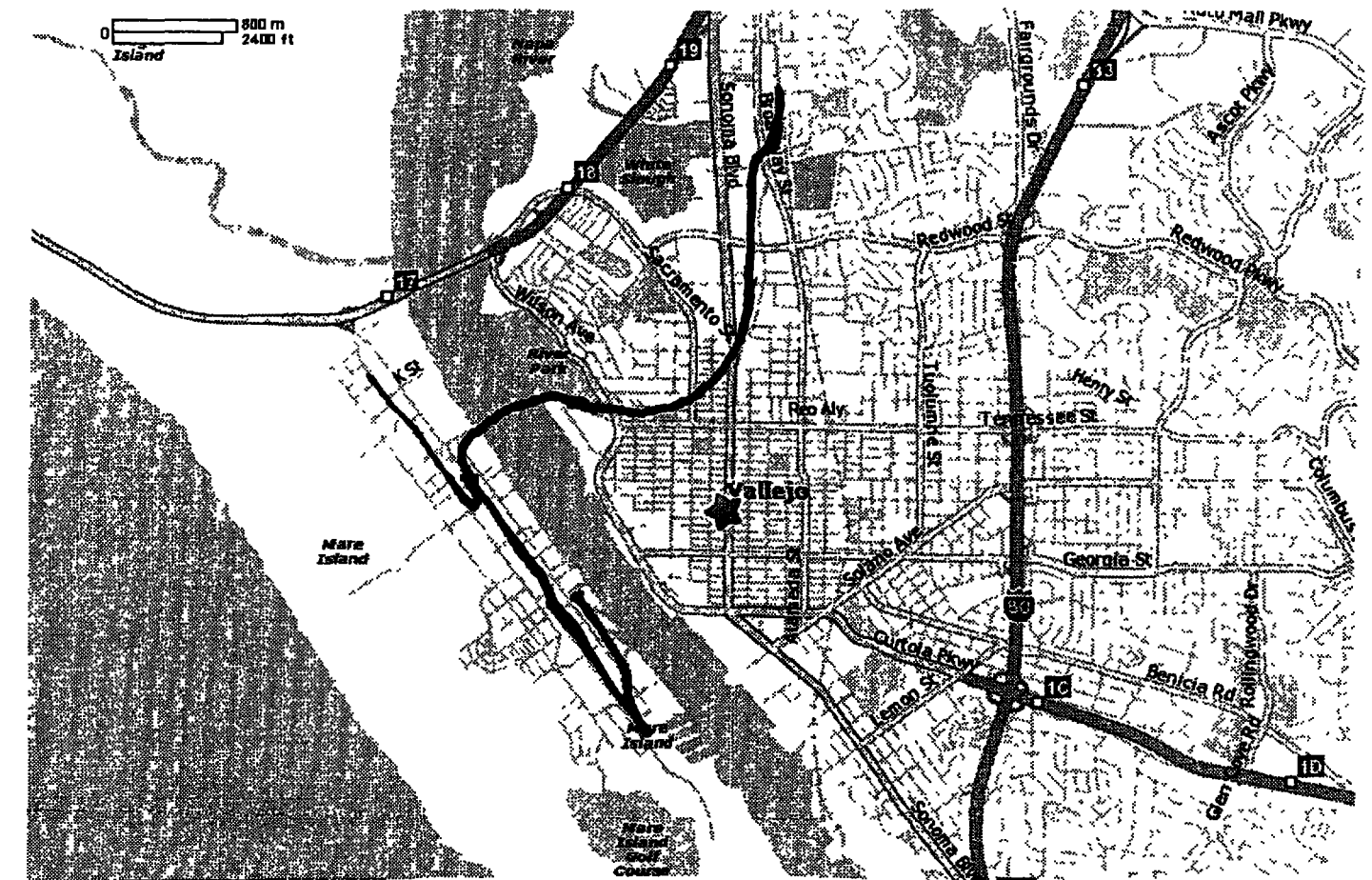
1. The address of common carrier which last provided service on the track is California Northern Railroad, 129 Klamath Court, American Canyon, CA 95776, 916-668-9490

2. The existing track extends from a junction located on the California Northern Railroad approximately 800 feet north of Sereno Drive in Vallejo, California, to the end of track just south of Detoro Way on Mare Island in the City of Vallejo, California and branching at A Street on Mare Island to the end

of track at approximately L Street, Mare Island, City of Vallejo, California.

3. Total miles, of track is about 8, there are no mileposts on this line.

f. The route, in between Flosden Acres and Mare Island in Vallejo, California is depicted as follows:



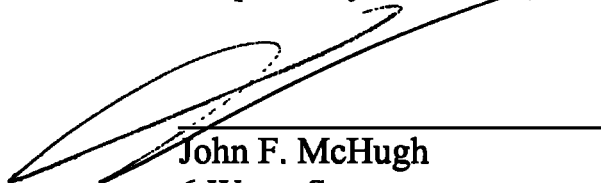
g. Applicant certifies that its projected revenues will not exceed those, which would qualify it as a Class III carrier.

h. This operation involves only a class III carrier and will not displace any railroad employees. Thus, no labor protection is required, 49 U.S.C. §11326(c).

i. This transaction will restore service on the line. The line is not abandoned or embargoed. One customer has demanded service of the residual common carrier and has no practical alternative to rail service. Therefore, the transaction will not increase traffic over that which would occur in any case. This transaction qualifies for classification under 49 C.F.R. §1105.6(c)(2) thus, neither an Environmental Report nor a Historic Report is required.

Dated, New York, N.Y.
September 24, 2009

Respectfully Submitted,



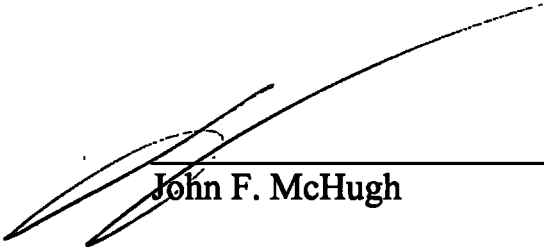
John F. McHugh
6 Water Street
New York, N.Y. 10004
212-483-0875

VERIFICATION

John F. McHugh, verifies pursuant to 28 U.S.C. §1746 that he is the duly appointed attorney for the San Francisco Bay Railroad – Mare Island and has reviewed the information set forth in this Notice of Exemption and

knows that the information set forth herein accurately describes the operation and financial results contemplated by applicant to the best of his knowledge and belief.

Dated, New York, N.Y.
September 24, 2009



John F. McHugh

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

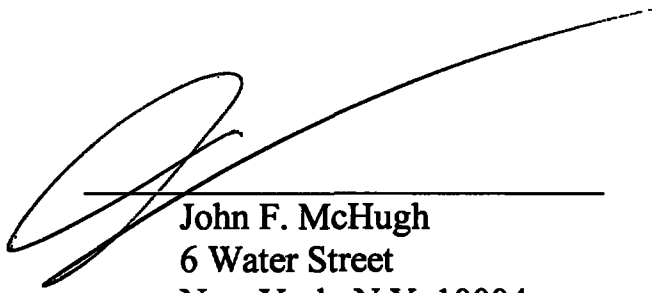
FINANCE DOCKET NO. _____

SAN FRANCISCO BAY RAILROAD– MARE ISLAND -NOTICE OF EXEMPTION- CALIFORNIA NORTHERN RAILROAD

Caption Summary

San Francisco Bay Railroad – Mare Island, a non-carrier, has filed a notice of exemption, pursuant to 49 CFR 1150.31 to commence operations as a class III rail common carrier over lines owned by the City of Vallejo and Lennar Mare Island, LLC. between a junction with the California Northern Railroad at Flosden Acres, and Mare Island in Vallejo, CA, a total distance of about 8 miles. Petitioner intends to commence operations as soon as authority is granted. Petitioner's representative is John F. McHugh, 6 Water Street, New York, N.Y. 10004, 212-483-0875. No other class exemptions are being used by the petitioner.

Dated, New York, N.Y.
September 24, 2009



John F. McHugh
6 Water Street
New York, N.Y. 10004
212-483-0875